Challenges & Opportunities

- Customer Facing
- Supplier Facing
- DLA Systems

Challenges & Opportunities

Customer Facing

- Customer Requirements and Forecasting
- Develop Organizational Level Kitting
- Local Procurement / Manufacturing
- High Supply Availability Expectations
- Identify Impacts from Navy BCM4/Cannibalization Policy

Challenges & Opportunities Customer Facing

Customer Requirements and Forecasting

- Challenge:
  - Customer requirements often delayed due to change in demand. Challenges in improving forecasts to accommodate changing demand.
  - SPRs are effective, but low buyback rates causing cash flow problems for DLA
  - Tracking SPRs and leveraging results
  - Developing effective collaboration techniques
- Opportunities:
  - Coordinate with major customers to develop more collaborative supply planning & forecasting techniques
  - Leverage lessons learned from the joint DLA and customer SAMP process developed for support of engine production at major Industrial Depots
  - Support SPR Buyback program to reduce operational costs
  - Develop collaboration tools and methods in BSM/CRM environment
- Responsible Directorate:
  - OPR – DSCR-O/B
  - OCR – DSCR-LA, LB & LC (Col Flierl, LTC Anderson, Capt Scott)
  - ECD – 26 July 2004

Challenges & Opportunities Customer Facing

Develop Organizational Level Kitting

[Customer: NADEP Jacksonville & FISC Norfolk]

- Challenge:
  - **To improve collaboration with Navy Organizational Maintenance Activities to develop kit requirements.**
- Opportunities:
  - **Target intermediate and operational maintenance customers towards developing and executing kits to satisfy the Navy's mission.**

- Responsible Directorate:
  - OPR – DSCR-**AC**-, Greg Sprouse
  - OCR – DSCR-LB, Ann Brandon
  - ECD – 26 July 2004

Challenges & Opportunities Customer Facing

Local Procurement / Manufacturing to DLA

[Customer: NADEP Cherry Point]

- Challenge:
  - DLA misses a lot of sales due to local procurement buy-arounds or local manufacturing work-arounds. DLA is often a better value supplier to these potentially costly alternatives.
  - DLA is often a better value supplier to the potentially costly local procurement alternative
  - Customer reporting of demands filled by local procurement to DLA using MILSTRIP transaction DHA is minimal
- Opportunities:
  - Assess impact.
  - Develop a strategy to recapture.
  - Increase customer awareness of DHA process to report demands filled by local procurement
- Responsible Directorate/Division:
  - OPR – DSCR-LCA, CDR Stearns, USN
  - OCR – DSCR-O
  - ECD – 26 July 2004

Challenges & Opportunities

Customer Facing

High Supply Availability Expectations

- **Challenge:**
  - **100% In Place**

Opportunities:

- Tailor PBAs to customer preferences with consideration for budget constraints
- **Determining satisfactory goal vs. using funds for other programs**

Responsible Directorate:

– OPR – DSCR-L (COL Flierl, CPT Scott, LTC Anderson)
– OCR – DSCR-R/O
– ECD - 26 July 2004

Challenges & Opportunities Customer Facing

Identify Impacts From Navy BCM4 / Cannibalization Policy

- Challenge:
  - –The Navy policy is no BCM4 and no CANNs.
  - – Will cause an increase in Back Order's since the WRA's will be sitting in AWP longer. Will be an ongoing action on the part of IM and WSSM's to expedite material but should not be a significant increase in effort.
  - – Opportunities:
  - –Determine impact to DLA.
  - –Adjust stock levels as appropriate.
- OPR – DSCR-LC, CAPT Robert Scott, USN
- OCR – DSCR-LCW, LT Mark Ward, USN
- ECD – 26 July 2004

Challenges & Opportunities

Supplier Facing

- Vendor Responsiveness / Lead Times
- Flexible Delivery Terms on Contracts
- Parts Obsolescence and Aging Aircraft Support (Including FMS)

Challenges & Opportunities Supplier Facing

Vendor Responsiveness / Lead Times

[Customer comment that contract is awarded again to a vendor with poor past performances – criteria best value vs. lowest cost is best opportunity]

- Challenge:
  - Ensure contracts are awarded to vendors who offer best value solutions to the Government**.**
- Opportunities: (Need K input)
  - Offer refresher training to pre-award and post award buyers on the Automated Best Value System (ABVS).
  - Continue to monitor compliance with mandatory use of ABVS on all negotiated procurements
  - Continue efforts to increase use of LTC.
  - PBL Initiatives
- Responsible Directorate/Division:
  - OPR – DSCR-K
  - OCR – DSCR-J/O
  - ECD – No further action required.

Challenges & Opportunities Supplier Facing

Flexible Delivery Terms on Contracts

[Comment from Pearlis Sturgis, HQ DLA, J-4: Change contract terms to allow vendors to ship early]

- Challenge:
  - Heighten vendor awareness that mandatory contract clauses allow for and encourage accelerated deliveries
- Opportunities:
  - Increase early shipments by Vendors
- Proposed Actions:
  - Target Opportunities to heighten vendor awareness of contract terms and conditions
  - Include coverage on standard contract terms and conditions at the next Business Conference
- Responsible Directorate/Division:
  - OPR – DSCR-K
  - OCR – DSCR-J
  - ECD – On-going, No further action required.

Challenges & Opportunities Supplier Facing

Parts Obsolescence and Aging Aircraft Support (Including FMS)

- Challenge:
  - Unique supportability problems and challenges for aging aircraft.
- Opportunities:
  - Leverage Aging Aircraft Working Group and AIS to support aging aircraft
- Responsible Directorate/Division:
  - OPR – DSCR-LA Col Flierl
  - OCR – DSCR-V (Cliff Wolfe)
  - ECD – 26 July 2004

NOTE: Currently DLA has a working group – Lead for DSCR is Cliff Wolf.

Challenges & Opportunities
DLA Systems

- Defense Depot Responsiveness
- Lean Support (Kitting, IPV Flexibility)
- Customer Access to Information
- More Accurate Coding (Lead Time Changes)
- FAT Process Improvements
- BSM Training and Information
- UID Standards Implementation
- Automated Data Exchange and Integrity
- Provide Timely Notice to FMS Customers of Price and Other Data Changes

Challenges & Opportunities DLA Systems

Defense Depot Responsiveness (Comment DSCR-J Army Reserve Liaison)

- **Challenge:**
  - Improving distribution flexibility and sensitivity to changing processes.
- Opportunities:
  - Leverage forward stocking capabilities.
- Responsible Directorates/Divisions:
  - OPR – DSCR-O/DDC
  - OCR – DSCR-J
  - ECD – 26 July 2004

Challenges & Opportunities
DLA Systems

Lean Support (Kitting, IPV Flexibility)

[Customer: NADEP Jacksonville]

- Challenge:
  - Support lean inventory initiatives.
- Opportunities:
  - Develop kitting solutions in support of customer lean initiatives.
- Responsible Directorate/Division:
  - OPR – DSCR-L
  - OCR –DSCR-V (Monty Ingram), DSCR-K
  - ECD – No further action required.

Challenges & Opportunities DLA Systems

Customer Access to Information

- Challenge: (Comment from Patricia Cindle, DLA CSR,OC-ALC)
  - Enforcement of DLA item notes policy
- Opportunities:
  - BSM/CRM Change Management
- Responsible Directorate/Division:
  - OPR – DSCR-J, DSCR-K
  - OCR – DSCR-B (Don Love)
  - ECD – 26 July 2004

Challenges & Opportunities DLA Systems

More Accurate Coding (Lead Time Changes)

[Customer Liaison, Cherry Point]

- Challenge:
  - Detection/correction of inaccurate NSN Codes (I.e., AAC, ALT/PLT)
- Opportunities:
  - Leverage initiatives to reconcile incorrect coding.
- Responsible Directorate/Division:
  - OPR – DSCR-OZ (Floyd Moore)
  - OCR – DSCR-LD (CDR Stearns)
  - ECD – 26 July 2004

Challenges & Opportunities DLA Systems

FAT Process Improvements

[Comment, DLA CSR Cherry Point – Gayenelle Wakely]

- Challenge:
  - Delays of First article tests.
- Opportunities:
  - Initiatives to track/report FAT
  - Expansion of reliability initiatives
- Responsible Directorate/Division
  - OPR – DSCR-V Allen Osborne
  - OCR – DSCR-LCA (CDR Stearns)
  - ECD – 26 July 2004

Challenges & Opportunities DLA Systems

BSM Training and Information

[Customer: CDR Pritchard]

- Challenge:
  - Customer training for BSM/CRM
- Opportunities:
  - Timely rollout of BSM/CRM customer communications
- Responsible Directorate/Division:
  - OPR – DSCR-B Mr. Don Love
  - OCR – DSCR-LD (Joe Franklin)
  - ECD – 26 July 2004

Challenges & Opportunities DLA Systems

UID Standards Implementation

[Addressed by DCMA – Mandate use in contract and item visibility at the (base) customer level]

- Challenge:
  - DLA Buying Activities have been instructed to take no action to implement the UID policy until HQ DLA issues agency-wide guidance by PROCLTR
- Opportunities:
  - Ensure that HQ DLA is aware of DCMA's desire for use of UID.
  - Implement UID immediately upon receipt of PROCLTR
- Responsible Directorate/Division
  - OPR – DSCR-K (Lee Lukow)
  - OCR – DSCR-J, DSCR-V (Allen Osborne)
  - ECD – Aug 30 2004

Challenges & Opportunities
DLA Systems

Automated Data Exchange and Integrity

[RDML Bird, DSCC-D, Collectively we automate so data exchange between services occurs without the human element]

- Challenge:
  - Implement E2E, IDE
- Opportunities:
- Responsible Directorate/Division:
  - OPR – DSCR-B
  - OCR – DSCR-O/J6
  - ECD – 26 July 2004

Challenges & Opportunities
DLA Systems

Provide Timely Notice to FMS Customers of Price and Other Data Changes

[Customer: Mr. von der Hoff, HQ DLA, FMS Programs Team]

- Challenge:
  - Review Acquisition/Supply Notifications of price increases in both the legacy and BSM systems.
  - Visibility of aged backorders for FMS customers
- Opportunities:
  - Notification methods on price changes occurring in both legacy and BSM environments
    Method to share backorder reports with FMS customers
- Proposed Actions:
- Responsible Directorate/Division
  - OPR – DSCR-O
  - OCR – DSCR-LAWC
  - ECD – Ongoing